

## Message Text

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15

ORIGIN EB-07

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-10 NEA-10 ISO-00 IO-10

CAB-05 CIAE-00 COME-00 DODE-00 DOTE-00 INR-07 NSAE-00

FAA-00 L-02 SS-15 NSC-05 PA-02 USIA-15 PRS-01 SP-02

/120 R

DRAFTED BY EB/OA:MHSTYLES:DAP

APPROVED BY EB/OA:MHSTYLES

----- 039632

R 231632Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY DUBLIN

AMEMBASSY BUENOS AIRES

AMEMBASSY MEXICO

AMEMBASSY DAKAR

AMEMBASSY ABIDJAN

AMEMBASSY ALGIERS

AMEMBASSY OTTAWA

AMEMBASSY COLOMBO

AMEMBASSY PARIS

AMEMBASSY CONAKRY

AMEMBASSY NEW DEHLI

AMEMBASSY BLANTYRE

AMEMBASSY BAMAKO

AMEMBASSY VALLETTA

AMEMBASSY WELLINGTON

AMEMBASSY BANGKOK

AMEMBASSY KINSHASA

AMEMBASSY AMMAN

AMEMBASSY ROME

AMEMBASSY LISBON

AMCONSUL LUANDA

AMEMBASSY KABUL

AMEMBASSY VIENNA

AMEMBASSY BOGOTA

AMEMBASSY BRIDGETOWN

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AMEMBASSY PRAGUE

AMEMBASSY NICOSIA

AMEMBASSY YAOUNDE

AMCONSUL LOURENCO MARQUES

AMEMBASSY NAIROBI  
AMEMBASSY QUITO  
AMEMBASSY CAIRO  
AMEMBASSY TEL AVIV  
AMEMBASSY ADDIS ABABA  
AMEMBASSY HELSINKI  
AMEMBASSY JAKARTA  
AMEMBASSY ACCRA  
AMEMBASSY MADRID  
AMEMBASSY REYKJAVIK  
AMEMBASSY SINGAPORE  
AMEMBASSY TEHRAN  
AMEMBASSY TOKYO  
AMEMBASSY BELGRADE  
AMEMBASSY BONN  
AMEMBASSY THE HAGUE  
AMEMBASSY KUWAIT  
AMEMBASSY SANTIAGO  
AMEMBASSY TRIPOLI  
AMEMBASSY WARSAW  
AMEMBASSY BEIRUT  
AMEMBASSY LAGOS  
AMEMBASSY ATHENS  
AMEMBASSY ISLAMABAD  
AMEMBASSY MANILA  
AMEMBASSY CANBERRA  
AMCONSUL MELBOURNE  
AMEMBASSY BRUSSELS  
AMEMBASSY STOCKHOLM  
AMEMBASSY COPENHAGEN  
AMEMBASSY OSLO  
AMEMBASSY JIDDA  
AMEMBASSY PRETORIA  
AMEMBASSY KHARTOUM  
AMEMBASSY BERN  
AMEMBASSY DAMASCUS  
AMEMBASSY ANKARA  
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AMEMBASSY TUNIS  
AMEMBASSY CARACAS  
AMEMBASSY LUSAKA  
AMCONSUL RIO DE JANEIRO  
AMEMBASSY BRASILIA  
AMEMBASSY LONDON

UNCLAS STATE 120937

E.O. 11652:N/A

TAGS: EAIR, XX

SUBJECT: CIVAIR: AIRLINE COMMISSION RATE DISPUTE

REF: STATE 109664 NOTAL

1. FOLLOWING IS TEXT OF A JOINT U.S.-U.K. STATEMENT  
RELEASED IN WASHINGTON MAY 22:

"REPRESENTATIVES OF THE U.S. AND BRITISH GOVERNMENTS MET  
IN WASHINGTON ON MAY 21-22, 1975, TO DISCUSS THE PROBLEMS  
WHICH HAD ARISEN OVER THE SYSTEM OF COMMISSION RATES PAID  
BY AIRLINES TO TRAVEL AGENTS AND OTHER INTERMEDIARIES FOR  
INTERNATIONAL TRAVEL AND OVER THE ENFORCEMENT OF THE  
SYSTEM.

"THEY WERE CONVINCED THAT WIDESPREAD ABUSES HAD CREATED AN  
UNSATISFACTORY SITUATION. THEY AGREED THAT IT WAS IN THE  
INTERESTS OF THE AIRLINE INDUSTRY, TRAVEL AGENTS, AND THE  
PUBLIC THAT A STABLE SYSTEM OF COMMISSION RATES BE ADOPTED,  
UNIFORMLY IMPLEMENTED, AND FULLY ENFORCED AS SOON AS  
POSSIBLE.

"TO THIS END, THE TWO GOVERNMENTS UNDERTOOK TO BRING THEIR  
CONCERN TO THE ATTENTION OF INTERNATIONAL AIR TRANSPORT  
ASSOCIATION(IATA)AND TO URGE THAT IT ADOPT, SUBJECT TO  
GOVERNMENT APPROVALS, A COMMISSION RATE SYSTEM WHICH WOULD  
PROVIDE FOR STABILITY AND FOR ENFORCEMENT OF ANY AGREED-  
UPON RATES. THE TWO GOVERNMENTS STRESSED THE PARTICULAR  
IMPORTANCE THEY ATTACHED TO THE UNIFORM IMPLEMENTATION  
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AND EFFECTIVE ENFORCEMENT OF ANY SUCH SYSTEM.

"THE REPRESENTATIVES OF THE TWO GOVERNMENTS ALSO CONSID-  
ERED WHAT ACTIONS THE GOVERNMENTS THEMSELVES COULD TAKE.  
THE U.S. REPRESENTATIVES STATED THAT THEY WOULD PRESS  
FOR EARLY ACTION ON A PROPOSAL CURRENTLY PENDING BEFORE THE  
CIVIL AERONAUTICS BOARD FOR THE FILING OF COMMISSION RATE  
SCHEDULES AND FOR EFFECTIVE PENALTIES FOR FAILURE TO OB-  
SERVE THE RATES AS FILED. THE BRITISH REPRESENTATIVES  
STATED THAT THEY WOULD REVIEW THE POWERS OF THE BRITISH  
GOVERNMENT TO ENSURE THAT THEY WERE ADEQUATE TO DEAL WITH  
THE ENFORCEMENT QUESTION.

"BOTH GOVERNMENTS WERE CONSCIOUS OF THE DANGER THAT AN  
UNRESTRAINED COMMISSION WAR WOULD FURTHER UNDERMINE AIR-  
LINE FINANCES AT A TIME WHEN THE AIRLINES WERE ALREADY IN  
DIFFICULTIES, AND COULD CREATE PRESSURES FOR HIGHER FARES.  
THEY THEREFORE AGREED TO URGE THEIR AIRLINES TO PRESS  
FOR THE SIMULTANEOUS ADOPTION, AT THE EARLIEST  
POSSIBLE MOMENT, OF IATA RESOLUTIONS PROVIDING FOR THE  
ESTABLISHMENT OF (1) AN EFFECTIVE ENFORCEMENT SYSTEM AND  
(2) AN INTERIM AGREEMENT ON COMMISSION RATES PENDING THE

RESULTS OF THE INVESTIGATIONS INTO AGENTS COSTS THAT IATA HAS ALREADY SET IN TRAIN. THE TWO GOVERNMENTS EXPECT ALL AIRLINES TO ENTER INTO THESE NEGOTIATIONS IN GOOD FAITH AND TO BE PREPARED TO REACH A REASONABLE ACCOMMODATION OF THEIR DIFFERING POINTS OF VIEW.

"THE TWO GOVERNMENTS ALSO AGREED TO BRING THEIR CONCERN OVER THIS MATTER TO THE ATTENTION OF OTHER GOVERNMENTS, TO INFORM THEM OF THE ACTIONS THEY WERE TAKING, AND TO INVITE THEM TO TAKE COMPARABLE ACTIONS.

"IN THE LIGHT OF THEIR UNDERSTANDING THAT PAN AM WOULD USE THEIR BEST EFFORTS TO ACHIEVE, AS SOON AS POSSIBLE, THE ADOPTION OF THE IATA RESOLUTIONS REFERRED TO IN THE FIFTH PARAGRAPH ABOVE, THE BRITISH GOVERNMENT STATED THAT THEY DID NOT INTEND TO TAKE ANY PRECIPITATE ACTION IN REGARD TO PAN AM'S OPERATING PERMITS."

2. ADDRESSEE POSTS (EXCEPT LONDON) REQUESTED BRING  
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FOREGOING STATEMENT TO ATTENTION NATIONAL AVIATION AUTHORITIES, DRAWING THEIR ATTENTION PARTICULARLY TO THE PENULTIMATE PARAGRAPH. INGERSOLL

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, INCENTIVE WAGE SYSTEMS, NEGOTIATIONS, AIR FARES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE120937  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EB/OA:MHSTYLES:DAP  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D750183-0228  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t197505103/baaaakpo.tel  
**Line Count:** 191  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 JUL 2003 by maginmm>; APPROVED <27 JAN 2004 by CunninFX>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** EAIR, XX, US, UK  
**To:** DUBLIN  
BUENOS AIRES  
MEXICO  
DAKAR  
ABIDJAN  
ALGIERS

OTTAWA  
COLOMBO  
PARIS  
CONAKRY  
NEW DEHLI  
BLANTYRE  
BAMAKO  
VALLETTA  
WELLINGTON  
BANGKOK  
KINSHASA  
AMMAN  
ROME  
LISBON  
LUANDA  
KABUL  
VIENNA  
BOGOTA  
BRIDGETOWN  
PRAGUE  
NICOSIA  
YAOUNDE  
LOURENCO MARQUES  
NAIROBI  
QUITO  
CAIRO  
TEL AVIV  
ADDIS ABABA  
HELSINKI  
JAKARTA  
ACCRA  
MADRID  
REYKJAVIK  
SINGAPORE  
TEHRAN  
TOKYO  
BELGRADE  
BONN  
THE HAGUE  
KUWAIT  
SANTIAGO  
TRIPOLI  
WARSAW  
BEIRUT  
LAGOS  
ATHENS  
ISLAMABAD  
MANILA  
CANBERRA  
MELBOURNE  
BRUSSELS  
STOCKHOLM  
COPENHAGEN  
OSLO  
JIDDA  
PRETORIA  
KHARTOUM  
BERN  
DAMASCUS  
ANKARA  
TUNIS  
CARACAS  
LUSAKA  
RIO DE JANEIRO  
BRASILIA  
LONDON

**Type:** TE

**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006